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ABSTRACT

This volume contains the recommendations made to the Minnesota legislature by the Advisory Council on Fluctuating School Enrollments. Volume II serves as an appendix to this first volume and contains the data and information on which these recommendations were based. Volume I's recommendations center around the effects of fluctuating enrollments on professional educational staff, school district organization, and fiscal considerations and educational finance. The advisory council lists critical areas for legislative action, including revision of the state aid formula. It also recommends steps to be taken by the state board of education, local school districts, and the state teachers retirement boards. (DS)

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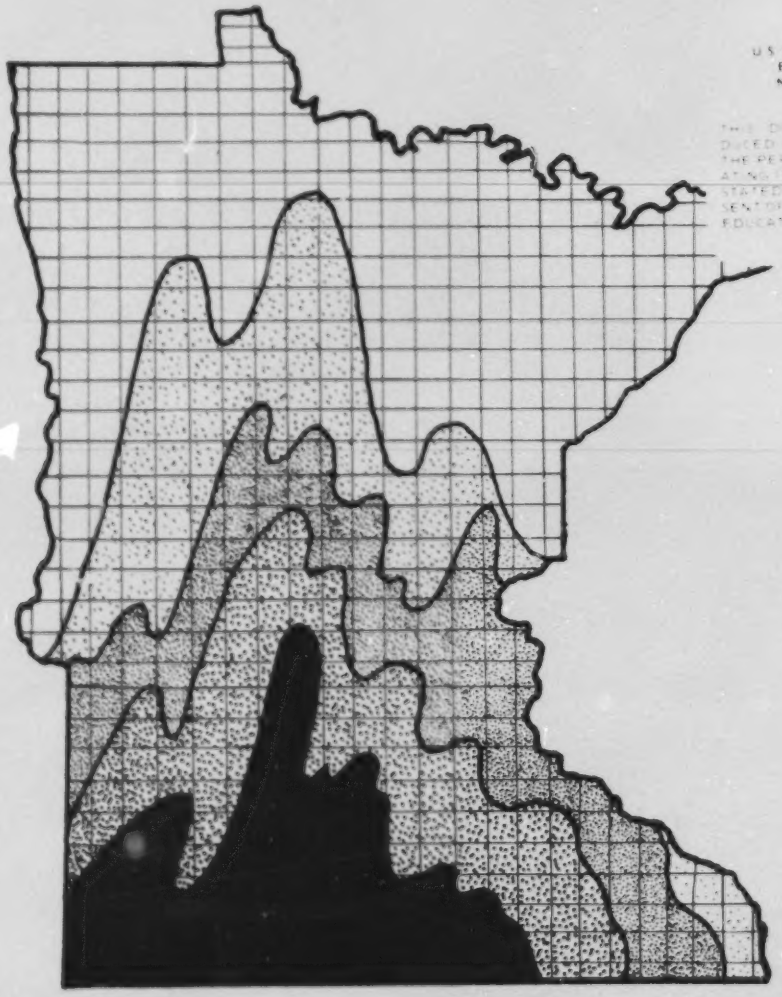
A FINAL REPORT TO THE MINNESOTA STATE LEGISLATURE:

THE IMPACT OF FLUCTUATING SCHOOL ENROLLMENTS ON MINNESOTA'S EDUCATIONAL SYSTEM



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EA 008 995

SUBMITTED BY THE ADVISORY COUNCIL ON FLUCTUATING SCHOOL ENROLLMENTS

JANUARY, 1977 2 VOLUME I

A FINAL REPORT:

THE IMPACT OF FLUCTUATING SCHOOL ENROLLMENTS ON MINNESOTA'S EDUCATIONAL SYSTEM

VOLUME I

A REPORT TO THE MINNESOTA STATE LEGISLATURE

Submitted by the
Advisory Council on
Fluctuating School Enrollments

January, 1977

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PREFACE

The Advisory Council on Fluctuating School Enrollments was created by the 1974 Minnesota Legislature to "examine, by whatever means it deems appropriate, the impact of fluctuating school enrollments and their consequental effects on the quality and cost of education." [*See* Appendix 1: Laws of Minnesota, 1974, Chapter 355, Sec. 68, Subd. 3(b)].

The Council's examination of the impact of fluctuating school enrollments included:

. The development of working papers for background information in such areas as enrollment trends, class size, school district size, interdistrict cooperation, the relationship between cost and quality, teacher mobility, and unrequested leaves of absence for teachers [*See* Volume II of this report for review of these papers].

. Presentations by resource persons from state government and other agencies on such topics as school finance, district organization, enrollment projections, and school facilities, among others [*See* Volume II, *Summary of the Council's Activities*, for a complete listing].

. Completion of special studies in the areas of revenue, transportation, facilities, and cooperation [*See* Volume II of this report for review of these studies].

. Public hearings in 1975 and 1976 throughout the state of Minnesota to solicit suggestions and reactions from school personnel, community members, and professional organizations interested and concerned with the impact of fluctuating school ennollments. [*See* Volume II of this report for review of the hearing notices and summaries of testimony].

The complete summary of the Council's activities can be found in Volume II of this report.

The organization of Volume I of this report is designed to enhance the reader's understanding of the impact of fluctuating enrollments on Minnesota's educational system. Section

I highlights the impact of fluctuating school enrollments on Minnesota's elementary and secondary educational system. In Section II, the Council's recommendations are presented in detail. Each recommendation is supported by rationale statements with reference to the data source used in the development of the recommendation. The Appendices include the legislation creating the Council and the Table of Contents for Volume II of this report.

The recommendations to the Legislature, the State Board of Education, the local school districts and the State Teachers Retirement Board passed unanimously by the Council are ranked in order of priority. The legislative recommendations are divided into two sections:

. Critical recommendations to the Legislature: These recommendations are thought by the Council to be essential legislative actions which will mitigate the fiscal and educational problems associated with fluctuating school enrollments.
. Additional recommendations to the Legislature: These recommendations are thought to be important in the maintenance of excellence in Minnesota's educational system by providing flexibility in planning and opportunities for adapting to fluctuating school enrollments.

The recommendations to the State Board of Education, the local school districts and the State Teachers Retirement Board, ranked in order of priority within each grouping, are thought to complement the legislative recommendations and to encourage flexibility in adapting to fluctuating school enrollments at the local level.

Volume II of this report contains all the supporting data and information used in the development of the recommendations. Volume II also contains those sections of the Council's preliminary report thought to be critical to the understanding of the impact of fluctuating school enrollments on Minnesota's educational system [See Appendix 2 for a review of the Table of Contents for Volume II.]

The Advisory Council on Fluctuating School Enrollments wishes to express its appreciation to the Minnesota Legislature for its support of the Council's activities; to the Minnesota State Department of Education for its assistance and support; to the office of the State Demographer for developing the enrollment trends in Minnesota from 1970-2000; to all those persons in other governmental agencies who provided support and information, to those persons who developed the working papers; and, to those persons and agencies who provided special technical, clarical and analytical expertise to the Council. The Council also wishes to thank those school superintendents, school board members, principals, teachers, professional organizations and citizens who presented testimony at the public hearings or wrote to the Council regarding their concerns and interests in fluctuating school enrollments.

I.

THE IMPACT OF FLUCTUATING SCHOOL ENROLLMENTS ON MINNESOTA'S ELEMENTARY AND SECONDARY EDUCATIONAL SYSTEM

America, and indeed most of world society, has enjoyed growth in many different forms for a period far beyond living memory, stretching back indeed for some hundreds of years. In the last 100 or 200 years growth in almost all major respects has been quite rapid. . . .

Growth, however, cannot go on forever. There is now widespread recognition that we may be in for a period of general slowdown, certainly in population growth and quite probably in per capita real income as energy and materials [sic] sources become more scarce and more expensive, and as potentials for technological change begin to exhaust themselves. . . .

A period of slowdown, therefore, may create severe problems simply because all our learning processes have taught us to adapt to growth and we have had very little opportunity to experience no-growth or even slow growth and still less opportunity to experience decline. . . .

Adaptation to decline, therefore, is going to be a very important skill in the years ahead. If we are only adapted to growth, then we are likely to make a tragic mess of decline. There is a strong case to be made for the argument that decline requires greater skill, better judgment, a stronger sense of community, and a higher order of leadership than growth does. It is easy to adjust to growth. If you make mistakes, time will generally correct them. If you put too much into one segment of the system, all you have to do is wait a little while and hold back the growth of the overextended section and the other sections will catch up with it. In decline, however, time aggravates mistakes. It makes it much harder to achieve the proper proportions of the system, as it is the achieving of these proper proportions which is one of the major functions of leadership.[1]

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[1]Statement made by the economist Kenneth E. Boulding in M. Rodekohr, *Adjustments of Colorado Districts to Declining Enrollments*. Lincoln, Nebraska, University of Nebraska, 1974.

Adaptation to decline, as described in this statement by Kenneth Boulding, is a critical skill needed today and in the future by all educational decision-makers in the state of Minnesota. The state of Minnesota is currently in a decade (1975-1985) of realizing its largest public school enrollment decline. This decline makes the acquisition of skills in adapting to decline essential.

The following facts, accompanied by brief conclusions, about fluctuating school enrollments in relationship to personnel, school district organization and fiscal considerations demonstrate the need for skills in the adaptation to decline. Additional information about the impact of fluctuating school enrollments and Minnesota's educational system will be presented in the supporting statements of the recommendations and in Volume II of this report.

Fluctuating School Enrollments[2] *and the Total Full-Time Equivalency (FTE) Professional Staff in Minnesota*[3]

Fact:

From 1970-1975 the school-age population (K-12) declined:

45,921 students

Kindergarten:	Elementary:	Secondary:
-11,365	-78,740	+44,184

Conclusion:

Using the 1974-75 state average (17.5:1) for number of students per total full-time equivalency (FTE) professional staff, this enrollment decline would indicate a reducation in staff demand during this period approximating 2,624 total professional staff.

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[2]*A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "Projected Kindergarten, Elementary, and Secondary Age Population by County 1970-2000," Volume II, (January, 1977) pp. 53-66.

[3]*A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "Descriptive Information About Minnesota School Districts and Fluctuating School Enrollments," Volume II, (January, 1977) pp. 89-102.

Fact:

From 1975-1980 the school-age population (K-12) will decline approximately:

139,980 students

Kindergarten:	Elementary:	Secondary:
-488	-73,068	-66,424

Conclusion:

Using the 1974-75 state average (17.5:1) for number of students per total full-time equivalency (FTE) professional staff, this enrollment decline would indicate a reduction in staff demand during this period approximating 7,999 total professional staff.

Fact:

From 1980-1985 the school age population will decline approximately:

62,516 students

Kindergarten:	Elementary:	Secondary:
+7328	+24,608	-94,452

Conclusion:

Using the 1974-75 state average (17.5:1) for number of students per total full-time equivalency (FTE) professional staff, this enrollment decline would indicate a reduction in staff demand during this period approximating 3,572 total professional staff.

Fact:

During the decade, 1975-1985, the school-age population (K-12) will decline approximately:

202,496 students

Kindergarten:	Elementary:	Secondary:
+6,840	-48,460	-160,876

Conclusion:

Using the 1974-75 state average (17.5:1) for number of students per total full-time equivalency (FTE) professional staff, this enrollment decline would indicate a reduction in staff demand during this period approximating 11,571 total professional staff.

During this decade, the state of Minnesota will realize:

. its greatest enrollment decline, and,
. its greatest reduction in professional staff.

The potential impact of the 1975-1980 decline in enrollments in Minnesota on the distribution of the total full-time equivalency (FTE) professional staff in 1980 by training level and years of experience is illustrated by the following fact and conclusion:

Fact:

Using data for the 1974-75 total full-time equivalency (FTE) professional staff in the state

. 10,548.1 (21%) had less than 5 years experience

. 9,797.9 had less than 5 years experience and a bachelor's degree or less

. 3,510.1 (7%) were 60 years of age or older

Conclusion:

Assuming the retirement of those 60 years or older and the reduction of staff by seniority, only 57 percent (6,049.2 full-time equivalency [FTE] professional staff) of those staff members with less than five (5) years of experience will be teaching in 1980. (Note: This figure will be reduced by the natural attrition of staff during this same period.)

Organization of School Districts[4] *and Fluctuating School Enrollments*

Fact:

By 1970-1974 enrollment trends

Of the 436 school districts
--179 have an enrollment decline greater than or equal to 6% decline (41%)
--165 have an enrollment trend between 5% growth to 5% decline (38%)
--92 have an enrollment growth greater than or equal to 6% growth (21%).

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[4] *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System*, "Descriptive Information About Minnesota School Districts and Fluctuating School Enrollments," Volume II, (January, 1977), pp. 89-102.

By 1974-75 school district size

Of the 436 school districts
--49 school districts had an enrollment of 299 students or less (11%)
--166 school districts had an enrollment between 300 and 799 students (38%)
--123 school districts had an enrollment between 800 and 1799 students or less (28%)
—98 school districts had an enrollment of 1800 students or more.

By 1970 to 1974 Enrollment Trend and
1974-75 School District Size*

School District Size	Enrollment Trend			Total # districts by size
	6% decline	+5% to -5% stable	6% growth	
1. 0-299	59%	31%	10%	49
2. 300-799	51%	43%	10%	166
3. 800-1799	33%	40%	27%	123
4. 1800 plus	25%	37%	38%	98

*This table shows the percentage of school districts by size experiencing the three (3) types of enrollment trends from the school years 1970-71 to 1974-75.

Conclusion:

The percentage of school distircts with 799 students or less experiencing an enrollment decline greater than or equal to 6 percent is higher than the percentage of school districts in the other size categories. The projection of an enrollment decline approximating 202,496 students during the 1975-1985 decade might indicate:

—a reduction of the number of growing school districts
—a slight reduction in the number of stable school districts
—an increase in the number of declining school districts; and
—a situation where small schools (799 students or less) become significantly smaller.

Fiscal Considerations[5] *and Fluctuating School Enrollments*

Fact:

In Minnesota total disbursements for school operations plus debt service increased 38.9 percent from 1970-71 to 1974-75.

1970-71:	1974-75:
$1,136,852,620	$1,579,508,329

Conclusion:

Expanded programs, maturing staff, inflation and rising energy costs would suggest this trend will continue.

Fact:

1. By the 1977-78 school year all school districts must operate on a balanced budget.*

2. As of November, 1976 approximately 112 school districts or 25.8 percent of the districts are in or near statutory operating debt (i.e., they have a net negative fund balance greater than a 2-1/2 percent difference between revenues and expenditures).

Conclusion:

These districts have several actions available to them:

1. Levy 1.5 EARC mills in 1977 (payable in 1978) for the sole purpose of eliminating the debt.**

2. Reduce staff and other costs.

3. Call for a referendum to provide additional funding.***

4. Consolidate or make joint arrangements with other districts

*Laws of Minnesota for 1976, Chapter 271, Section 32, *Statutory Operating Debt.*

**This is a mandatory provision in the law.

***Between December, 1971 and November, 1976, 37 referenda were held by these 112 districts with 21 (or 57 percent passing). Data made available by the Minnesota State Planning Agency.

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[5]Data made available from the State Aids, Statistics, and Research Section of the Minnesota State Department of Education.

Fact:

Of these 112 school districts in or near statutory operating debt:

By 1970-74 enrollment trends:

--56 percent are declining enrollment districts (greater or equal to 6 percent decline)
--28 percent are stable enrollment districts (5 percent growth to 5 percent decline)
--16 percent are growth enrollment districts (greater than or equal to 6 percent growth)

By 1974-75 school district size:

--73 percent had an enrollment less than or equal to 799 students
--19 percent had an enrollment between 800 and 1799 students
--8 percent had an enrollment greater than or equal to 1800 students

Compared to the total number (436) of school districts, the percentage of school districts in or near statutory debt:

By 1970-74 enrollment trends[6]:

--35 percent (63) of the 179 declining enrollment districts (greater than or equal to 6 percent decline) are in or near statutory debt
--19 percent (31) of the 165 stable enrollment districts (5 percent growth to 5 percent decline) are in or near statutory debt
--19 percent (18) of the 92 growing enrollment districts (greater than or equal to 6 percent growth) are in or near statutory debt

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[6]*A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System*, "Projected Kindergarten, Elementary and Secondary Age Population by County 1970-2000," Volume II (January, 1977), pp. 53-66.

By 1974-75 school district size:[7]

-- 38 percent (82) of the 215 school districts with enrollments of 799 students or less are in or near statutory debt.
-- 17 percent (21) of the 123 school districts with enrollments of between 800 and 1,799 students are in or near statutory debt
-- 9 percent (9) of the 98 school districts with enrollments of 1,800 students or more are in or near statutory debt.

Conclusion:

School districts with 799 students or less and school districts with an enrollment decline of six (6) percent or more constitute the greatest percentage of school districts in or near statutory debt.

Were there not a legislative mandate that all school districts must operate on a balanced budget, there could be a significant increase in the number of school districts during the 1975-85 decade operating in or near fiscal insolvency.

Given the legislative mandate for balanced budgets, the school districts in Minnesota experiencing declining enrollments, maturing staff, rising energy costs, inflation, and rising EARC (Equalization Aid Review Committee) property valuations, will have difficulty in:

1. maintaining quality curricular and extracurricular programs at the least cost to the taxpayer and the state;
2. expanding programs to meet the educational needs of the students in the school districts;
3. maintaining a well-balanced age-experience professional staff distribution;
4. maintaining community support in light of potential program reductions, school closings and consolidation;
5. providing adequate transportation and facilities to support the educational programs; and,

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[7] *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "Descriptive Information About Minnesota School Districts and Fluctuating School Enrollments," Volume II, (January, 1977), pp. 89-102.

6. complying with federal and state mandates and regulations requiring the offering of specific educational programs to meet the educational need of a target population or a societial need, e.g., vocational education and special educationa. Compliance with legal mandates, such as the open meeting laws, collective bargaining and desegregation/integration plans, also will be increasingly difficult.

Summary

During the decade 1975-1985, the impact of fluctuating school enrollments on Minnesota's elementary and secondary educational system will have the following consequences:

. A reduction in the demand for professional staff and decreased mobility for staff currently employed
. A reduction in the broad curricular and extracurricular programs offered at the local level
. A reduction in alternatives in education and in the initiation of innovative programs
. An interference with community support because of reduced educational programs, school closings and consolidation accompanied by an increase in local taxes to support a diminished program
. A continuing increase in disbursements for education because of declining enrollments, maturing staffs, rising energy costs, inflation, and expanded programs

The impact of fluctuating school enrollments on Minnesota's elementary and secondary educational system is described in greater detail in the supporting statements for the recommendations found in Section II. Each recommendation has a data source section which refers the reader to Volume II of this report and to other pertinent sources of information.

II.

TABLE OF RECOMMENDATIONS TO THE MINNESOTA LEGISLATURE, THE STATE BOARD OF EDUCATION, THE LOCAL SCHOOL DISTRICTS, AND THE STATE TEACHERS RETIREMENT BOARD

The recommendations within each category are listed in order of priority. Each recommendation contains supporting statements and sources of data and information. An estimated state appropriation section is included in the legislative recommendations.

The legislative recommendations are divided into two sections:

. Critical recommendations to the legislature--these recommendations are thought by the Council to be essential legislative actions to alleviate the fiscal and educational problems associated with fluctuating school enrollments.
. Additional recommendations to the legislature--these recommendations are thought by the Council to be important in the maintenance of excellence in Minnesota's educational system by providing flexibility in planning and opportunities for adaptation to fluctuating school enrollments.

CRITICAL RECOMMENDATIONS TO THE MINNESOTA LEGISLATURE

1. ANNUAL EXAMINATION OF 70/30 STATE/LOCAL SUPPORT

The Legislature in its biennial adoption and annual review of foundation aid should revise the figure for local mill effort in the formula in order to establish and maintain state funding and support at approximately 70 percent of total maintenance costs. [*See* page 15 for an example of the state/local ratio at the state level. *See* page 16 for an example of the state/local ratio at the district level by type of enrollment trend.]

SUPPORTING STATEMENTS

A. This examination should be conducted to allow annual adjustments in the factors of the foundation aid

formula when the equity and equalization aspects of the formula show erosion due to inflationary increases in property valuations and hence increased local effort.

B. This examination and subsequent adjustments in the foundation aid formula would ensure systematic and predictable state/local sharing of educational costs due to changes in property valuations, enrollment fluctuations and inflationary increases in costs.

C. This examination and subsequent adjustments would ensure significant reliance on progressive state revenue sources to provide the major support of school operating costs.

D. This examination and subsequent adjustments are consistent with the concept of equalizing financial resources available to school districts.

E. This examination and subsequent adjustments would relieve political pressure to revise the levy limitation law currently restricting the revenue production from local tax sources.

F. This examination would prevent a reversion to local property wealth as a basis for funding education and may avert litigation based on the Serrano-type decision (e.g., fiscal neutrality).

G. This examination would provide a remedy for the volatile changes in per pupil valuation caused by fluctuating school enrollments.

CONCLUSION

The Council believes an annual examination of the allocation of state/local support for education to maintain state funding and support at approximately 70 percent of the total maintenance costs for the state is vital to maintaining equity in Minnesota's school finance formula and to maintaining equality in educational expenditures. The volatile changes in property valuations, enrollment fluctuations and inflationary increases in costs have great potential for eroding the equity and equalization aspects of the foundation aid formula. This examination would provide immediate knowledge of increasing inequities and inequalities in the formula to ensure maintaining a 70/30 percent state/local support ratio.

DATA SOURCE

1. State of Minnesota Constitution, Article VIII, Section 1, "A General and Uniform System of Public Schools."

TABLE 1

PERCENTAGE OF STATE AND LOCAL FINANCING OF EDUCATION
IN THE STATE OF MINNESOTA

This table illustrates the percentage of total state financing and the percentage of total local financing for the adjusted maintenance cost* of education in the state of Minnesota from 1970-71 to 1974-75**

	1970-71	1971-72	1972-73	1973-74	1974-75
Percentage State Share	52.9	60.7	69.5	68.9	65.1
Percentage Local Share	47.1	39.3	30.5	31.1	34.9

*The adjusted maintenance cost is a basic measure used to compare the cost per pupil unit of educating the pupils in the district through the use of state and local financing. This measure does not include federal funding, transportation and community services, as well as receipts from sales of lunches and material, student activity receipts in excess of disbursements, and refunds from current expenses.

**Data made available from the State Aids, Statistics and Research Section of the Minnesota State Department of Education.

TABLE 2

This table illustrates the effects of increasing EARC (Equalization Aid Review Committee) property valuations by type of enrollment change on the percentage of local effort and state aid at the local level.

SCHOOL DISTRICT #1: DECLINING ENROLLMENT DISTRICT

1976-77

Formula Allowance		# Pupil Units		(29 Mills)		EARC Adjusted Valuation		State Aid
$960	X	1000	-	.029	X	$15,000,000		
$960,000				$435,000			=	$525,000

Percentage Local Effort: 45% Percentage State Aid: 55%

1977-78

Formula Allowance		# Pupil Units		(29 Mills)		EARC Adjusted Valuation		State Aid
$1015	X	900	-	.029	X	$18,000,000		
$913,500			-	$522,000			=	$391,500

Percentage Local Effort: 57% Percentage State Aid: 43%

SCHOOL DISTRICT #2: STABLE ENROLLMENT DISTRICT

1976-77

Formula Allowance		# Pupil Units		(29 Mills)		EARC Adjusted Valuation		State Aid
$960	X	1000	-	.029	X	$15,000,000		
$960,000				$435,000			=	$525,000

Percentage Local Effort: 45% Percentage State Aid: 55%

1977-78

(Note: Pupil Units remain the same; EARC property valuations increased 20%)

Formula Allowance		# Pupil Units		(29Mills)		EARC Adjusted Valuation		State Aid
$1015	X	1000	-	.029	X	$18,000,000		
$1,015,000			-	$522,000			=	$493,000

Percentage Local Effort: 51% Percentage State Aid: 49%.

TABLE 2 (continued)

SCHOOL DISTRICT #3: GROWING ENROLLMENT DISTRICT

1976-77

Formula Allowance	X	# Pupil Units	-	(29 Mills)	X	EARC Adjusted Valuation	=	State Aid
$960	X	1000	-	.029	X	$15,000,000		
$960,000			-	$435,000			=	$525,000

Percentage Local Effort: 45% Percentage State Aid: 55%

1976-77

Formula Allowance	X	# Pupil Units	-	(29 Mills)	X	EARC Adjusted Valuation	=	State Aid
$1015	X	1100	-	.029	X	$18,000,000		
$1,116,500			-	$522,000			=	$594,500

Percentage Local Effort: 47% Percentage State Aid: 53%

2. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "Assessed Valuation and Levy Limitations Study," Volume II, (January, 1977), pp. 475-478.

3. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "A Comparative Analysis of Twelve Selected School Districts in the State of Minnesota," Volume II, (January, 1977), pp. 103-165.

4. *Managing School Districts with Declining Enrollments,* Six case studies prepared for Human Resources Planning, Minnesota State Planning Agency, April, 1976.

5. *Issue Papers on School Finance,* a report to the State Board of Education, September, 1974.

ESTIMATED STATE APPROPRIATION

Fiscal Year 1978 -- $960 to $1,015 per pupil unit and 25 mills: $115,000,000.

Fiscal Year 1979 -- $1,015 to $1,075 per pupil unit and 22 mills: $105,000,000.

2. *FOUNDATION AID FORMULA*

The Legislature should provide for general aids which are sensitive to the needs of districts experiencing fluctuating school enrollments. The Council recommends the following actions to accomplish this goal.

A. The Legislature should provide within the foundation aid formula a staff maturity index factor which is based on the years of experience of all teachers* in the local school district. This factor should be based on the following principles:

. The special aid should be allocated only to those school districts with high concentrations of mature staff. For example, a school district could be eligible for staff maturity aid if the percentage of full time equivalency (FTE) teachers with ten (10) years or more of experience exceeds the state percentage of such teachers.

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*Teacher as defined in Minnesota Statute 179.63, *Definitions,* Subd. 13.

. Since all districts will not be receiving this special aid, there should not be great differences in aid to those districts just below and just above the threshold. For example, the eligible school district would receive aid only for that percentage of the full-time equivalency (FTE) teachers with ten (10) years or more of experience which exceeds the current year percentage of the total full time-equivalency (FTE) teachers in the state. Current year percentages for the district and state should be computed on an annual basis from the school district annual fall personnel report.

. The special aid should be large enough to help districts and yet should not eliminate district incentive to minimize costs of education, including salaries for mature staff. For example, computation of the staff maturity aid should be the excess percentage of full-time equivalency (FTE) teachers in the district times the total full-time equivalency (FTE) teachers in the district times a weighted pupil unit. The amount of aid should be approximately half the difference between the average statewide B.A. salary schedule minimum and the average statewide salary schedule maximum. For the average expenditure district, the weighting factor should be approximately 5.0 pupil units. (See page 22 for an example of this staff maturity index factor).

B. The Legislature should continue to provide aid on a graduated schedule to growth districts where the actual number of pupil units has increased from the prior year by two percent or more.

C. The Legislature should continue to provide aid to declining enrollment districts where the actual number of pupil units has decreased from the prior year.

SUPPORTING STATEMENTS

A. Staff Maturity Index Factor

1. An aggregation of 1974-75 total full-time equivalency (FTE) professional staff by 1970-74 enrollment trend shows

. Growth and stable districts have more inexperienced (less than 10 years experience) full-time equivalency (FTE) professional staff than the state average

. Declining districts have fewer inexperienced (less than 10 years experience) full-time equivalency (FTE) professional staff than the state average.

2. An aggregation of 1974-75 total full-time equivalency (FTE) professional staff by 1974-75 school district size shows

   . School districts with an enrollment less than 1,800 have more inexperienced (less than 10 years experience) full-time equivalency (FTE) professional staff than the state average

   . Independent school districts with an enrollment of 1,800 or more have fewer inexperienced full-time equivalency (FTE) professional staff than the state average

   . The cities of the first class school districts have the fewest inexperienced full-time equivalency (FTE) professional staff than the state average.

3. The staff maturity aid should be provided in the foundation aid formula to provide fiscal relief to those districts with a staff maturity cost overburden.

4. This staff maturity aid should be provided in the foundation aid formula to provide aid to those declining districts reducing staff according to seniority.

5. Fiscal support for the experience of the professional staff can be justified on the basis that a positive relationship between teacher experience and student performance was found in 57 percent of the cost-quality studies with a strong suggestion that teacher experience may be strongly related to students non-cognitive development.

B. Growing enrollment factor

1. The growth factor in the foundation aid formula appears to provide adequate support for the "start up" costs incurred by school districts experiencing enrollment increases of two (2) percent or more from the prior years.

C. Declining enrollment factor

1. The declining enrollment factor, in conjunction with the staff maturity index factor, should provide the necessary fiscal relief to school districts experiencing both a declining enrollment and maturing staff.

CONCLUSION

The Council believes school districts experiencing declining enrollments, a maturing staff, or both, do not have complete fiscal management discretion over all costs. These conditions place unmanageable fiscal burdens on a school district operating within a limited budget.

The Council believes additional aid via a staff maturity index factor plus the declining enrollment aid would provide the necessary fiscal relief to those school districts deemed eligible in the recommendation and may be declining in enrollments. Such aid is more accountable than extending the declining enrollment factor over three years.

The Council believes the Legislature should continue to provide special aid to school districts experiencing growth. This aid appears to provide satisfactory financial support to those school districts experiencing rapid growth.

DATA SOURCE

1. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "A Comparative Analysis of Twelve Selected School Districts in the State of Minnesota," Volume II, (January, 1977), pp. 103-165.

2. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "Declining Foundation Aid, 1971-72 and 1974-75 and Growth Foundation Aid, 1975-76," Volume II, (January, 1977), pp. 479-488.

3. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "Descriptive Information About Minnesota School Districts and Fluctuating School Enrollments," Volume II, (January, 1977), pp. 89-102.

4. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "Distribution of Total Full-Time Equivalency (FTE) Professional Staff by Age, Experience and Training Levels in the Regions, the State and in the School Districts Sorted by Enrollment Trend and School District Size," Volume II, (January, 1977), pp. 395-471.

5. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "The Relationship Between the Cost and Quality of Education," Volume II, (January, 1977), pp. 179-195.

ESTIMATED STATE APPROPRIATION

A. Staff Maturity Index Factor: $40,950,000/Fiscal Year
$81,900,000/Biennium

E X A M P L E

STAFF MATURITY INDEX FACTOR

I. STATE AND DISTRICT DATA

A. State Data

Foundation Aid (F.A.) = $1015 - 29 mills X EARC valuation

State Maturity Percentage (Percent of full-time equivalancy teachers with 10 or more years experience) = 48%

B. Local School District Data

Total full-time equivalency (FTE) teachers = 100

Number of full-time equivalency (FTE) teachers with 10 years or more experience = 62

Total number of pupil units = 2000

EARC Property Valuation = $16,000 per pupil unit ($32,000,000)

II. SCHOOL DISTRICT ELIGIBILITY AND STAFF MATURITY AID

A. School District Eligibility

School District Maturity percentage (Number of full-time equivalency [FTE] teachers with 10 years or more experience) minus State Maturity percentage. If the answer is positive the school district is eligible.

B. Staff Maturity Aid

Staff Maturity Aid (SMA) equals

1. school district maturity percentage minus the state maturity index.

2. the percentage difference times the total full-time equivalency (FTE) teachers in the district equals staff maturity units.

3. staff maturity units times a weighting factor is then added to complete the foundation aid amount.

III. COMPUTATION OF SCHOOL DISTRICT ELIGIBILITY AND STAFF MATURITY AID

A. School District Eligibility: 62% - 48% - 14%

B. *Staff Maturity Aid (SMA) = 62% - 48% = (+)14% X 100= 14 Staff Maturity Units X 5.0 (Weighting) = 70 Pupil Units*

C. *Foundation Aid with Staff Maturity Aid*

Foundation Aid = $1015 X 2070 p.u. - 29 Mills X $32,000,000
Foundation Aid = $2,101,030 - .029 X $32,000,000
Foundation Aid = $2,101,030 - $92,800
Foundation Aid = $1,173,030

D. *Foundation Aid Without Staff Maturity Aid*

Foundation aid for 2000 pupil units = $1,102,000

Difference = $71,030*

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*This is the amount this district would receive for staff maturity.

B. Growing Enrollment Factor: $9,000,000/Fiscal Year
$18,000,000/Biennium

C. Declining Enrollment Factor: $3,000,000/Fiscal Year
$6,000,000/Biennium

3. *ELIGIBLE TEACHER PROGRAM AND FULL-TIME CONTINUING CONTRACT TEACHERS*

The Legislature should continue the *Eligible Teacher Program* (Minnesota Statute 124.611) for teachers placed on unrequested leaves of absence and expand the program to include the hiring of full-time continuing contract teachers who are not on an unrequested leave of absence from those school districts having an enrollment decline greater than or equal to 6 percent over the preceding 4 years. The schedule for payment of the eligible teacher aid should be equal to 100 percent of the difference between the B.A. minimum salary in the hiring school districts and the salary which the teacher will receive in that year in the hiring district based on his/her training, credits and experience the first year; the second year the aid should be equal to 75 percent of the salary difference; and, 50 percent of the salary difference for the third year.

SUPPORTING STATEMENTS

A. Continuation of eligible teacher aid for teachers on unrequested leaves of absence

1. This program appears to be an incentive to growth districts to hire teachers on unrequested leaves of absence.

2. This program offers teachers on unrequested leaves of absence job opportunities in the field of education.

B. Expansion of eligible teacher aid to include experienced teachers

1. This expansion would assist severely declining enrollment districts in retaining younger, less experienced staff and in maintaining a better age-experience staff balance.

2. This expansion would encourage mobility of experienced teachers from declining enrollment districts to growing enrollment districts.

3. This expansion would benefit the growing enrollment districts in maintaining a better age-experience balance and minimize future staff problems in those school districts where enrollment projections indicate stability or decline.

C. Change in payment schedule of aid

1. This change in the payment schedule would encourage more growth districts to hire an eligible teacher.

2. This change in the payment schedule would be viewed as an adequate cost savings to hiring districts, thus increasing participation of growth districts in the program

CONCLUSION

The Council believes the increased mobility of experienced teachers and teachers on unrequested leaves of absence is vital to the maintenance of a sound educational program by providing a better age-experience distribution in declining and growing enrollment districts. The Legislature can encourage this mobility by continuing the eligible teacher aid program and by expanding the program to include experienced teachers who apply to the state board for eligibility.

DATA SOURCE

1. Minnesota Statute 124.611, *Eligible Teacher Program.*

2. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "Minnesota's Teacher Mobility, 1976," Volume II, (January, 1977), pp. 231-257.

3. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "Descriptive Information About Minnesota School Districts and Fluctuating School Enrollments," Volume II, (January, 1977), pp. 89-102.

ESTIMATED STATE APPROPRIATION

$175,000/Fiscal Year $350,000/Biennium

4. *TEACHER EXIT*

The Legislature should enact legislation which encourages the mobility of experienced teachers out of the educational system. The Council recommends the following actions to accomplish this goal.

. The Legislature should adopt a plan providing state funding to support severance pay plans negotiated at the local level. The state should pay up to 50 percent or

$5,000, whichever is less, of the local school district's severance pay settlements for full-time continuing contract teachers* with at least 10 years of experience in such districts. The state's share should not exceed the teacher's current salary. This provision should exclude those teachers eligible for full retirement benefits and those teachers reemployed in another Minnesota public school district.

. The Legislature should amend Minnesota Statute 354.092 *Sabbatical Leave* to allow those members with at least seven years experience in a district granted a leave of absence without pay to receive allowable service credit not exceeding two years in any ten consecutive years toward a retirement annuity by paying into the fund employee contributions during the period of leave. The employee contribution should be based on the appropriate rate of contributions and the salary received during the year preceding the leave.

SUPPORTING STATEMENTS

A. Severance Pay--State/Local Funding

1. State/local funding of a local severance pay policy would provide an incentive to local school boards to adopt a severance pay plan.

2. A severance pay plan would allow for voluntary mobility of experienced teachers.

3. This concept of severance pay has been found successful in Salt Lake City, Utah, and Pasenda, California, where $5,000 to $10,000 were found appropriate to encourage some teachers to leave teaching.

B. Allowable Service Credit Amendment

1. This amendment would be an incentive to experienced teachers requesting an extended leave of absence from a district.

2. This amendment would be an incentive to local school boards in the development of an extended leave of absence policy.

3. An extended leave of absence policy with allowable service credit in the teachers retirement

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*As defined in Minnesota Statute 125.12, Subd. 1, *Teacher Defined.*

fund could provide temporary fiscal relief to those declining districts in which experienced teachers are granted such a leave.

CONCLUSION

The Council believes teacher mobility alternatives should be available at the local school district level. A severance pay plan and an extended leave of absence policy, both incorporating state support for experienced teachers would create such alternatives. Both options would maintain local management discretion in personnel matters and, in some instances, enhance the educational program.

DATA SOURCE

1. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "Minnesota's Teacher Mobility, 1976," Volume II, (January, 1977), pp. 231-257.

2. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "Descriptive Information About Minnesota School Districts and Fluctuating School Enrollments," Volume II, (January, 1977), pp. 89-102.

3. Minnesota Statute 354.092, *Sabbatical Leave.*

ESTIMATED STATE APPROPRIATION

Severance Pay Plan: 500 teachers at $5000/teacher = $2,500,000/Fiscal Year

Allowable Service Credit Amendment: None

5. *COOPERATIVE EFFORTS: EDUCATIONAL COOPERATIVE SERVICE UNITS*

The Legislature should continue to support and encourage cooperative activities between school districts through the Educational Cooperative Service Units by

. Continuing to provide state funding to the Educational Cooperative Service Units. The amount of state support should not be less than the level of funding for the fiscal year 1977.

. Amending Laws of Minnesota, 1976, Chapter 8-S.F.N. 22, *Educational Cooperative Service Units,* Subd. 5, *Governing Board,* by allowing local school boards to choose lay citizens as well as current school board members to serve on the ECSU board of directors

SUPPORTING STATEMENTS

A. Continued funding for Educational Cooperative Service Units

1. Continued funding of the Educational Cooperative Service Units supports the belief that such units provide essential programs and services to the population they serve.

2. Continued funding of the Educational Cooperative Service Units encourages the expansion of those services and programs deemed necessary by the local school boards involved in the units.

3. Continued funding of the Educational Cooperative Service Units provides continued flexibility to the local school boards to provide cooperative educational services and programs for the school districts in the region as demands for such programs and services change due to fluctuating enrollments and changes in legal, economic and other demographic factors.

B. Representation on the Educational Cooperative Service Unit board of directors

1. Allowing lay citizens to serve on the board of directors would provide local school boards greater flexibility in selecting an appropriate representative to the Educational Cooperative Service Unit.

2. Allowing lay citizens to serve on the board of directors would allow local school boards to select persons, other than themselves, who have the time, motivation, and interest to represent the school district.

CONCLUSION

The Council believes the Educational Cooperative Service Units provide the best means for interdistrict cooperation, particularly in the areas where several school districts are experiencing declining enrollments.

The Council believes local school boards should have the authority and flexibility to determine how their school district should be represented in cooperative activities. The Educational Cooperative Service Units, governed by representatives of the local school boards, can respond to the coordination, articulation, and evaluation of the educational needs in that region.

The Council believes the interests of the local school board and community can be enhanced by allowing lay citizens as well as current board members to serve on the board of directors.

DATA SOURCE

1. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System*, "Recommendations by the Advisory Council on Fluctuating School Enrollments Concerning Intermediate Educational Units," Volume II (January, 1977), pp. 519-531.

ESTIMATED STATE APPROPRIATION

Region XI ECSU: No less than $90,900 annually.
All other Regional ECSUs: No less than $45,450, annually per ECSU.
Total state appropriation for the 1977-79 biennium: $799,900.

6. *STATE AND REGIONAL SCHOOL ORGANIZATION STUDY COMMISSIONS**

The Legislature should establish Regional School Organization Study Commissions and a State School Organization Study Commission to study the educational and fiscal conditions of all school districts in the State of Minnesota for the purpose of recommending to the 1979 Minnesota Legislature the extent to which financial assistance and incentives or other actions are required to ensure efficient and effective administrative units for delivering elementary and secondary educational services in the state of Minnesota. This legislation should incorporate the following provisions:

A. Organization

1. There shall be 13 Regional School Organization Study Commissions whose geographic boundaries shall coincide with those of the Development Regions (Governor's executive orders 8, dated September 1, 1971, and 59, dated May 29, 1973, issued pursuant to the regional development act of 1969, Minnesota Statutes, Sections 462.381 to 462.397).

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*In 1947, the Minnesota Legislature enacted Chapter 421-H.F. No. 1125 (*An act to provide a survey for reorganization of school districts and appropriating money therefore*). A similar self-study of school district organization has not been made since 1947. In view of the fact that the state of Minnesota will experience its greatest enrollment decline in the next decade, such a study is again appropriate.

2. The geographic location of the central administrative office of a school district shall determine the membership of the total school district in a particular Regional School Organization Study Commission area.

3. The State School Organization Study Commission shall consist of the chairperson of each Regional Study Commission.

B. Membership; term

1. A Regional School Organization Study Commission shall consist of one voting resident from each local school district within the geographic boundaries of the Regional Study Commission. Each school board shall be responsible for selecting its member. Members of the State and Regional Study Commissions shall hold their offices for a term beginning on the date of their selection and expiring January 30, 1979. In case of any vacancy on the committee, the respective school board shall select a replacement member.

C. Compensation; expenses

1. State and Regional School Organization Study Commission members shall be reimbursed for mileage, plus ordinary and necessary expenses in the same amount and manner as state employees.

D. Powers and duties of the regional School Organization Study Commissions

1. The State Commissioner of Education shall call the first meeting of each Regional School Organization Study Commission before September 30, 1977. The Commission shall elect from its membership a chairperson and such other officers as it deems necessary. Each member shall have one vote. A simple majority of members shall constitute a quorum. *Roberts Rules of Order Revised* shall govern the deliberations of the Commission. The Commissions shall meet as often as they deem necessary. Each Regional Study Commission may appoint an advisory council made up of local school board members, superintendents and representatives of other governmental agencies.

2. Each Regional Study Commission shall examine the school districts within its region or responsibility for the purpose of (1) recommending desirable reorganization and financial assistance which, in the judgement of the Commission, will afford better educational opportunities for the pupils and residents of the region, a more equitable, efficient and economical administrative unit, and a more equitable distribution of public school revenues; (2) conferring with school authorities and residents of the school districts in the regions, holding public hearings, and furnishing to school board members and to the public, information concerning its recommendations for the organization and financing of the school districts in the region; and, (3) making a report to the State School Organization Study Commission of its findings and recommendations no later than September 1, 1978.

3. Each Regional Study Commission shall consider the following factors in its examination of the school districts which shall be included in each Commission's report to the State School Organization Study Commission:

   . Ten year enrollment projections for each school district in the region
   . Educational needs assessment of the local districts
   . A statement of minimum educational standards for the region
   . An analysis of the financial status and ability of the school districts to support a minimum educational program
   . Determination of the feasibility of financial incentives from the state that would be acceptable to local districts in reorganizing
   . An analysis of the use and condition of school buildings in the districts and the possibility of the state assuming some fiscal responsibility in construction/renovation
   . Determination of the impact of population sparsity on reorganization and consideration of the need for including a sparsity factor in the foundation aid formula to assist necessarily small school districts where reorganization or cooperation is not economically and geographically feasible
   . Report of recommended changes in school district organization.

4. The Regional Study Commissions shall have access to such information and technical advice and

services from the Regional Development Commissions and other state officials and governmental agencies reasonably needed to fulfill the purpose of the Regional Study Commissions.

5. The Regional Study Commissions may employ such professional, clerical and technical assistants as they deem necessary to accomplish their purpose.

E. Powers and duties of the State School Organization Study Commission

1. The State Commissioner of Education shall call the first meeting of the State School Organization Study Commission before November 1, 1977. The Commission shall elect from its membership a chairperson and such other officers as it deems necessary. Each member shall have one vote. A simple majority of members shall constitute a quorum. *Roberts Rules of Order Revised* shall govern the deliberations of the Commission. The State Study Commission shall meet as often as it considers necessary to keep each regional chairperson informed as to the progress of the studies taking place in the respective regions and to carry out its other responsibilities.

2. The State School Organization Study Commission shall make a formal report on or before January 15, 1979, to the Minnesota Legislature.

The following provisions shall be included in this report:

1) A ten year enrollment projection for the state
2) A statement of the educational needs of the state
3) A definition of state minimum educational standards
4) A statement of the financial status and ability of the school districts in the state to support a minimum educational program
5) A report on the use and condition of school buildings in all districts and those recommendations of the Regional Study Commissions on state/local sharing of construction/renovation costs
6) A report of such fiscal incentives deemed necessary by the Regional Study Commissions for reorganization

7) A report of problems of sparsity by region and those recommendatins of the Regional Study Commissions on inclusion of a sparsity factor in the foundation aid formula to assist necessarily small schools where reoganization and cooperation are not economically and geographically feasible
8) A report of recommended changes of school district organization made by the Regional Study Commissions
9) Proposals for changes in existing statutes to enable the implementation of recommendations from the Regional and State School Organization Study Commissions.

Copies of this report shall also be submitted to the State Commissioner of Education, the State Board of Education, and to each member of the Regional School Organization Study Commissions.

3. The State Study Commission shall have access to such information and technical advice and services from the State Department of Education, appropriate legislative personnel, state officials, and other governmental agencies reasonably needed to fulfill the purposes of the State Study Commission.

4. The State Study Commission may employ such professional, clerical and technical assistants as it deems necessary to accomplish its purpose.

SUPPORTING STATEMENTS

A. Because of the unique educational needs of students in school districts within different regions, studies of school district organization should be done at the local level through Regional Study Commissions.

B. School organization studies at the regional level can generate the best information and recommendations for legislative consideration and action in providing continued educational excellence to the pupils in Minnesota via efficient and effective elementary and secondary administrative units.

CONCLUSIONS

A. School district organization

The Council believes the study of organization and changes in district boundaries should be initiated at the local level. Local initiation of such studies

ensures the continuance of local control and public support of the school district, and local determination of the educational needs of the students in the school districts. The Council believes also that sound school district organization and changes where necessary and possible are important to the fiscal and educational health of the educational system in the state of Minnesota.

B. Minimum educational standards

The Council believes minimum educational standards should be defined for the elementary and secondary levels of education by the members of the Regional and State School Organization Study Commissions. Given the critical fiscal condition and size of some school districts in the state, the Council believes all students have a right to a minimum education. Without such standards, some consumers and producers of education may be willing to circumvent the level of the student's education to preserve the local school district concept. The long-term costs to Minnesota should education lower than a minimum standard be accepted and funded by the state and local levels, would be exorbitant in terms of social and fiscal implications (e.g., decreased level of "quality of life," unemployment, increased welfare costs, et cetera)

The Council believes education in Minnesota is excellent. It is through acceptable educational standards that such excellence can be preserved in a time of fluctuating school enrollments and increasing fiscal burdens at the state and local level.

C. Necessarily small schools

The Council believes the Legislature may be asked by the Regional School Organization Study Commissions to recognize the existence of necessarily small schools for which consolidation is not economically, geographically, or educationally feasible. Should the Regional School Organization Study Commission make such a request, we urge the Legislature to include a sparsity factor in the foundation aid formula which allows for the extra costs incurred by sparsely populated districts associated with the number of students in the districts, the dispersion of the population and the area of the districts. Such a factor in the foundation aid formula would ensure those students in sparsely populated districts the right to equal educational opportunities.

DATA SOURCE

1. Minnesota Constitution, Article VIII, *School Funds, Educational and Science*, Section 1, *Uniform System of Public Schools*.

2. Laws of Minnesota for 1947, Chapter H.F. No. 1125 (*An act to provide a survey for reorganization of school districts and appropriating therefore*).

3. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System*, "The Relationship Between the Cost and Quality of Education," Volume II, (January, 1977), pp. 179-195.

4. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System*, "School District Size," Volume II, (January, 1977), pp. 197-220.

5. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System*, "The Educational Process, Student Achievement and Class Size," Volume II, (January, 1977), pp. 167-177.

6. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System*, "A Comparative Analysis of Twelve Selected School Districts in the State of Minnesota," Volume II, (January, 1977), pp. 103-165.

7. *Managing School Districts With Declining Enrollments*, six case studies prepared for Human Resources Planning, Minnesota State Planning Agency, April, 1976.

8. School Finance Formulae from the States of Utah, Florida, Maine, and Michigan.

9. Roe L. Johns. "An Index of Extra Costs of Education Due to Sparsity of Population," *Journal of Educational Finance*, I (Fall, 1975), pp. 159-204.

10. Elchanan Cohn, "A Proposal for School Size Incentives in State Aid to Education, " *Journal of Educational Finance*, I (Fall, 1975), pp. 216-225.

11. *Economy, Efficiency, and Equality: The Myth of Rural School and District Consolidation*. The National Institute of Education, U.S. Department of Health, Education and Welfare. Washington, D.C., July, 1976.

ESTIMATED STATE APPROPRIATION

Each Regional School Organization Study Commission: $15,000.

State School Organization Study Commission: $15,000

Total State Appropriation: $210,000.

7. *MANAGEMENT MONITORING SYSTEM*

The Legislature should provide special funds to the State Department of Education for the development and implementation of a school district management monitoring system which would include the following components: enrollment data, and elementary and secondary school building data. This system would make sound educational analysis and more accurate enrollment projections possible at the state or local level. The management monitoring system should be developed and implemented through the cooperative efforts of the State Board of Education, state administrative agencies and the legislative research units.

SUPPORTING STATEMENTS

A. Management monitoring system

1. A management monitoring system would provide a management capability for educational analysis at the local, regional or state levels.

2. A management monitoring system would provide the capability for cross sectional (annual) or time-series (over a number of years) educational analysis.

3. A management monitoring system would be used for educational and fiscal analysis designed to enhance the decision-making process, not to act as a check by the Legislature or State Department of Education on the management or conduct of educational programs at the local or regional level.

B. Accurate enrollment projections

1. The use of a management monitoring system in the projection of enrollments at the state, regional, county, or local level would provide the most critical source of information for understanding the future impact of changing enrollments on the educational system.

2. The use of a management monitoring system in projecting enrollments would provide systematic means to develop effective enrollment assessment and projection devices and to collect a reliable data base for the analysis of enrollment change.

CONCLUSION

The Council believes education decision-making is becoming too complex to continue making critical decisions at the state and local level on incomplete data. The development and use of a data base described in the management monitoring system recommendation is necessary for the understanding of the educational process in Minnesota. Without such a system, policy-making and evaluation of policies in the future will lack rationality. This irrationality could result in a proliferation of piecemeal or patchwork legislation which is unsound in our complex society.

DATA SOURCE

1. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System*, "The Relationship Between the Cost and Quality of Education," Volume II, (January, 1977), pp. 179-195.

2. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System*, "A Comparative Analysis of Twelve Selected School Districts in the State of Minnesota," Volume II, (January, 1977), pp. 103-165.

3. *Managing School Districts with Declining Enrollments*, Six case studies for Human Resources Planning, Minnesota State Planning Agency, April, 1976.

4. Laws of Minnesota for 1976, Chapter 271, Section 2 [123.741], *Planning, Evaluation, and Reporting to Public, Curriculum Advisory Committees.*

5. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System*, "The Educational Process, Student Achievement and Class Size," Volume II, (January, 1977), pp. 167-177.

6. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System*, "School District Size," Volume II (January, 1977), pp. 197-220.

7. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System*, "Minnesota Statewide Enrollment Projections," Volume II, (January, 1977), pp. 41-52.

ESTIMATED STATE APPROPRIATION

Fiscal Year 1978: $348,000

ADDITIONAL RECOMMENDATIONS TO THE MINNESOTA LEGISLATURE

1. *CLASS SIZE*

The Legislature should not enact legislation which provides special aids to local school districts to maintain a specific class size ratio or professional staff per 1,000 students as a means to alleviate the fiscal and educational problems associated with fluctuating school enrollments. The determination of such staff/student ratios should remain within the purview of the local school board.

SUPPORTING STATEMENTS

A. Determination of staff per student ratios should be at the discretion of the local management to allow flexibility in providing for the educational needs of the students in the school district.

B. There is no conclusive evidence in educational research which indicates any strong relationship between class size and student performance.

C. There does not appear to be a relationship between average class size and declining enrollments. Based on 1974-75 Minnesota school year data, 10 percent of those districts experiencing an enrollment decline from 1970 to 1974 greater than 6 percent have fewer staff per 1,000 pupils than the state average (57 staff per 1,000 students).

D. There is reason to believe special aids for a student/staff ratio would have a disequalizing effect on the foundation aid formula. For example, in 1974-75, 70 percent of those districts with enrollments greater than 1,800 students had fewer staff per 1,000 pupils than the state average.

E. There is evidence in a two year study of 12 districts to suggest that proportionate staffing adjustments are being made as enrollments fluctuate.

F. There is no assurance that specific student/staff ratios ensure educational quality in the interaction between the teacher and the student.

G. The relevance of class size to the learning situation depends on the nature of the student, the subject taught, the teacher's instructional skills and other environmental factors. Learning is not dependent on numbers alone.

CONCLUSION

The Council believes the legislature should not mandate a specific class size ratio or staff per 1,000 students as an attempt to alleviate the fiscal and educational problems associated with fluctuating school enrollments. Given the inconclusive research findings about the relationship of class size to student performance and the evidence found by the Council showing proportionate adjustments in the student/teacher ratio as enrollments fluctuate a mandated class size ratio cannot be supported. The Council believes also that attempts to mandate class size minimums or maximums erode educational flexibility and may be defensible only as a means to protect the job rights of teachers. A class size mandate should be discouraged on the basis it would prohibit educational flexibility and would place greater fiscal burdens on the local school districts operating on limited budgets.

DATA SOURCE

1. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "The Educational Process, Student Achievement and Class Size," Volume II (January, 1977), pp. 167-177.

2. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "The Relationship Between the Cost and Quality of Education," Volume II, (January, 1977), pp. 179-195.

3. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "A Comparative Analysis of Twelve Selected School Districts in the State of Minnesota," Volume II (January, 1977), pp. 103-165.

4. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "1974-75 Total Full-Time Equivalency (FTE) Professional Staff per 1,000 Students by State, Region and School District," Volume II, (January, 1977), pp. 381-394.

5. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System*, "1974-75 Class Size Data by Level of Instruction in the State, Region and School District," Volume II, (January, 1977), pp. 317-380.

ESTIMATED STATE APPROPRIATION

None

2. *SCHOOL BUILDING CONSTRUCTION PROPOSALS: REVIEW AND COMMENT BY THE STATE BOARD OF EDUCATION*

The Legislature should require all school districts to submit school construction proposals for projects in excess of $250,000 to the State Board of Education for review and comment on the need and educational advisability of the proposal. For those school districts in Region XI, the review and comment procedures of the State Board of Education should be coordinated with the review and comment requirements of the Metropolitan Council. The comments of the State Board of Education shall be made within 60 days of the date of request for review.

SUPPORTING STATEMENTS

A. In 1975-76 there were 250 construction project approvals and a record 281 construction projects completed for $124,769,241.99 (the second highest yearly expenditure) providing over 31,000 new student learning stations which is the equivalent of 1,037 teaching stations. During this same period only 53 teaching stations were abandoned.

B. The review and comment by the State Board of Education for projects in excess of $250,000 would provide the local school district with outside opinion on the educational advisability of proposed projects.

C. This review and comment by the State Board of Education for projects in excess of $250,000 would provide the local school district and the State Board an opportunity to cooperatively determine the need for such projects when all alternatives have been considered.

D. This review and comment would provide a communication system between the State Board of Education and the local school districts in assessing the needs of the particular district, the neighboring districts and the state as a whole. Such communication may provide additional information which could reduce the cost of the project or alter the direction of the project.

CONCLUSION

The Council believes a system which permits review and comment by the State Board of Education on high cost construction projects would benefit the local school district and the state as a whole. Such a communication system would promote the consideration of (1) the needs of the school district involved, (2) alternatives in facilities planning, (3) the needs of the neighboring districts, and (4) the needs of the state.

DATA SOURCE

1. *Summaries of Annual Reports, 1975-76: State Department of Education, Part III.* "1975-76 Annual Summary Report: School District Organization; Planning and Operations," 1976.

2. Conversations with the Director of the District Organization, Planning and Operations Section in the State Department of Education.

ESTIMATED STATE APPROPRIATION

None

3. *UNREQUESTED LEAVE OF ABSENCE*

The Legislature should take the following legislative action regarding unrequested leaves of absence in the independent school districts, seniority in cities of the first class school districts and unrequested leaves of absence when consolidation occurs.

. The Legislature should repeal Minnesota Statute 125.12, Subd. 6a, *Negotiated Unrequested Leave of Absence;* Subd. 6b, *Unrequested Leave of Absence;* and Minnesota Statute 125.17, Subd. 11, *Services Terminated by Discontinuance or Lack of Pupils; Preference Given,* and allow the negotiation of unrequested leaves of absence under the provisions in Minnesota Statute 179.61-.76 *Public Employees Labor Relations*

Act of 1971, as a permissive area for negotiation between the employees' exclusive representative and the school board.

. The Legislature should enact special legislation which defines the unrequested leave of absence plan when the consolidation of two or more districts occurs. This legislation should have the following provisions:

A. *Unrequested leave of absence.* The legislature should clarify the process of determining seniority in the "new" district by:

1. Defining "teachers" to mean all certificated persons employed by the consolidating school districts in a position for which the person must be certificated by the State Board of Education; and that such employment does not come within the exceptions stated in Subdivision 7 of Minnesota Statute 179.63, *Definitions.*

2. Defining "seniority" to mean that service accrued from the first day of employment in the home district by teachers who have acquired continuing contract rights. Note: "teachers" here would be defined as stated above. This provision should make seniority equitable across the districts involved in consolidation.

3. Requiring the local school boards involved in the consolidation to determine cooperatively the seniority rights of the teachers (as defined above) by creating a single list of teachers.

4. Requiring the local school boards to determine the assignments of the staff in the new district. Provisions for unrequested leaves of absence should be made where no positions exist for those teachers with the lowest seniority. The unrequested leave of absence would be from the new consolidated district. The unrequested leave of absence procedure should be the same as found in the current unrequested leave of absence law.

5. A clause should be included in this legislation which stipulates that this legislation only applies at the time of consolidation. After consolidation has occurred the new district would revert to the provisions found

in Minnesota Statute 125.12, Subd. 6a and 6b or, if these subdivisions are repealed, unrequested leaves of absence would be treated the same as all other public school districts.

SUPPORTING STATEMENTS

A. *Repeal of Minnesota Statute 125.12, Subd. 6a, Subd. 6b, and Minnesota Statute 125.17, Subd. 17*

1. The repeal of Minnesota Statute 125.12, Subd. 6a and 6b would be appropriate at this time. All school districts have adopted an unrequested leave of absence policy either through negotiations or by applying the provisions in Subd. 6b. Thus, Minnesota Statute 125.12, Subds. 6a and 6b are archaic and unnecessary. Future changes in the district plans will be part of the negotiating process and, consequently, more clearly defined by the provisions in Minnesota Statute 179.61-76, *Public Employees Labor Relations Act of 1971.*

2. The repeal of Minnesota Statute 125.17, Subd. 17 would allow cities of the first class school districts (Minneapolis and St. Paul) to have equal treatment under the law by allowing the negotiation of unrequested leave of absence plans at the local level under the provisions of Minnesota Statute 179.61-.76, *Public Employees Labor Relations Act of 1971.*

B. *Special Legislation: Unrequested leave of absence should consolidation occur*

1. The proposed special legislation for unrequested leaves of absence should consolidation occur clarifies the special considerations in the process of staff reduction which are unique to consolidation.

CONCLUSION

The Council believes the existing provisions in Minnesota Statute 125.12, Subds. 6a and 6b should be repealed as proposed in the recommendation. Those provisions for unrequested leaves of absence in the event consolidation occurs require special consideration by the legislature as the existing law is unclear and does not consider the unique considerations of school boards involved in consolidation. The Council also believes there should be equitable procedures

for all school districts where unrequested leaves of absence occur. For this reason, leaves of absence in the cities of first class should be provided under the same provisions which relate to unrequested leaves of absence in the independent school districts.

DATA SOURCE

1. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System*, "Teachers Contracts and Unrequested Leave: The Law and Its Implementation During a Period of Declining Enrollments and Consolidation," Volume II, (January, 1977), pp. 259-316.

2. State of Minnesota, Office of the Attorney General, Opinion #3328. November 20, 1975.

ESTIMATED STATE APPROPRIATION

None

4. ISSUANCE OF CONTINUING CONTRACT

The Legislature should amend the following statutes (i.e., Minnesota Statate 125.12, Subd. 3, *Probationary Period;* Subd. 4, *Termination of Contract after Probationary Period;* and, Minnesota Statute 125.17, Subd. 3, *Period of Service After Probationary Period; discharge or demotion*) to change the date for renewal of teaching contracts from April 1 to May 15. This date should also be the official date when the teacher submits notification to the school board regarding acceptance of the contract for the following year.

SUPPORTING STATEMENTS

A. This change in the contract renewal date and date of acceptance by the teacher would provide flexibility in educational, fiscal, and personnel planning at the local level, thus improving the quality of education.

B. This amendment would provide local school boards additional time for a more accurate assessment of the educational programs and services, personnel and fiscal needs for the next school year.

C. This amendment accompanied by accurate educational personnel and fiscal planning could reduce

the unnecessary termination of some staff and thus reduce intradistrict unrest.

CONCLUSION

The Council believes local school boards should have every opportunity to make efficient and effective decisions during decline. The change in the date for renewal of teaching contracts and date of acceptance proposed in this recommendation would allow some additional time needed for sound educational decision making.

DATA SOURCE

1. Minnesota Statute 125.12, Subd. 3, *Probationary Period.*

2. Minnesota Statute 125.12, Subd. 4, *Termination of Contract After Probationary Period.*

3. Minnesota Statute 125.17, Subd. 3, *Period of Service After Probationary Period; discharge and demotion.*

ESTIMATED STATE APPROPRIATION

None

5. *UNIFORM PROBATIONARY PERIOD*

The Legislature should amend Minnesota Statute 125.12, Subd. 3, *Probationary Period,* by requiring that all teachers employed in the public schools during the first three years of consecutive employment be considered to be in a probationary period of employment during which period any annual contract with any teacher may, or may not, be renewed as the board sees fit. Such an amendment removes the limited one year probationary period for employment in another school district after the teacher has completed a two year probationary period.

SUPPORTING STATEMENTS

A. This amendment would provide for uniform probationary periods in both the independent and the cities of the first class school districts.

B. Uniform probationary periods would not create a potential job security problem for teachers considering employment in growth districts.

C. Uniform probationary periods would allow more time for the assessment of a teacher's job performance.

D. Uniform probationary periods of three years would enhance the hiring of experienced teachers by growing school districts.

CONCLUSIONS

The Council believes the Legislature should take an active role in facilitating teacher mobility to counteract the current imbalance in the age-experience distribution of staff in growing and declining districts. The Legislature can do this by making probationary periods uniform between the independent and the cities of the first class school districts. This provision would maintain freedom of choice for the teachers and districts and enhance sound educational and fiscal practices at the local school district level.

DATA SOURCE

1. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System*, "Minnesota's Teacher Mobility, 1976," Volume II, (January, 1977), pp. 321-257.

2. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System*, "Descriptive Information About Minnesota School Districts and Fluctuating School Enrollments," Volume II, (January, 1977), pp. 89-102.

3. Citizens League, *Matching Pupils, Teachers, Buildings and Budgets*, (1974).

ESTIMATED STATE APPROPRIATION

None

6. *INTERDISTRICT PAIRING*

The Legislature should amend those school district organization statutes deemed necessary or enact new legislation to permit school districts to contract with another district to provide K-12 education (interdistrict pairing). A school district should not be permitted to contract with another school district to educate all of its students.

SUPPORTING STATEMENTS

A. Interdistrict pairing to provide K-12 education would be considered an alternative in school district organization.

B. Interdistrict pairing as an alternative in school district organization may be a desireable alternative for some school districts where community pressure prohibits dissolution of a local school district or consolidation with neighboring school districts.

C. Interdistrict pairing as an alternative to school district organization may, in some cases, provide better educational opportunities for the students than what currently exists in the contracting school districts.

CONCLUSION

The Council believes that school district organization alternatives to provide a sound educational program for students should be available for consideration by local school boards. Interdistrict pairing as an alternative may be considered by some school boards as an appropriate means to meet the fiscal and educational needs of its district and community. The Legislature should amend existing statues or enact new legislation which would permit a local school board to contract with another school district to educate some of its students.

DATA SOURCE

1. Testimony given by several school districts, particularly Woodlake-Echo, at the Council's public hearings held throughout the state of Minnesota during October, 1975, and 1976.

2. Pending Attorney General's opinion on school district organization considerations for the Woodlake-Echo school districts.

ESTIMATED STATE APPROPRIATION

None

7. TRANSPORTATION FUNDING

The Legislature should enact the following legislation which refers to transportation:

. The Legislature should amend Minnesota Statute 124.222, *Transportation Aid Entitlement* to:

1. Provide full state funding of all costs incurred by the local school district above the 128 percent allowable costs in the transportation of special education students.

2. Expand the allowable costs to include specific student activity needs (i.e., field trips, athletics, music, debate, et cetera) and interdistrict cooperative program transportation needs with the state support limited to 50 percent of the cost.

SUPPORTING STATEMENTS

A. Amendment to Minnesota Statute 124.222, *Transportation Aid Entitlement*: Full state funding for special education students

1. This amendment would provide some fiscal relief to those school districts experiencing declining enrollment or who are transferring funds from the General Fund to the Transportation Fund for payment of costs incurred for the transportation of special education students above the 128 percent allowable costs in the transportation aid formula.

2. The amendment would allow local school districts to allocate educational dollars to the general operating costs of the educational programs rather than to cover additional transportation costs.

B. Expanding allowable transportation costs

1. Expanding the allowable costs to include student activities and interdistrict cooperative program transportation needs would allow school districts to continue that part of excellence in education achieved through the nature of the specific academic and nonacademic school program described in the recommendation.

2. Providing additional transportation funding for specific student activities and interdistrict cooperative programs would provide some fiscal relief to school boards functioning within a limited budget and experiencing fluctuating school enrollments.

3. Providing funding for interdistrict cooperative program transportation needs would be an incentive to cooperation.

CONCLUSION

A. Amendment to Minnesota Statute 124.222, *Transportation Aid Entitlement*: Full state funding for special education students

1. The Council believes the local school districts should allocate available monies within a limited budget for the educational program. These monies should not be depleted from the General Fund to pay for additional costs incurred in other funds. Such practices minimize a school board's desire to offer the best educational program for its students within its budget.

B. Expanding allowable transportation costs

1. The Council believes excellence in education must be maintained at the local level. Fiscal constraints on the local school district budget accompanied by fluctuating school enrollments often result in program reduction. Student activity programs, such as field trips, athletics, music, et cetera, are often the first programs to be reduced. The Council believes this type of reduction narrows a student's learning experience during a time in our society when a broad educational experience is essential to maintaining a high level of "quality of life in Minnesota." Additional funding for specific student activities and interdistrict cooperative program transportation needs would help maintain this type of educational quality.

DATA SOURCE

1. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System*, "Transportation Funding Study," Volume II, (January, 1977), pp. 535-553.

2. Conversations with the Transportation Section of the Minnesota State Department of Education.

3. Minnesota Statute 124.222, *Transportation Aid Entitlement*.

ESTIMATED STATE APPROPRIATION

Special Education Transportation Costs:	$7,000,000/ Fiscal Year
Expanded Allowable Transportation Costs:	$4,000,000/ Fiscal Year

8. EARLY RETIREMENT STUDY

The Legislature should require the State Teachers Retirement Board to conduct studies as to the impact of voluntary early retirement with full benefits on the level of employee and employer contributions to make the fund actuarily sound. These studies should be reported back to the 1978 Minnesota Legislature.

SUPPORTING STATEMENTS

A. An early retirement plan may provide minimal mobility of professional staff during the next 5-10 years, however, such a plan could have devastating fiscal effects on the retirement fund in the future should this option be available when those persons currently under 55 years of age reach the retirement age. For example:

. In 1974-75 the average age of the total professional staff in Minnesota was approximately 35 years of age.

. Approximately 40 percent of the total 1974-75 professional staff in Minnesota are between the ages of 35 and 54.

. The percentage of the total 1974-75 professional staff in Minnesota that are older than 55 years of age is 13 percent (6,293.7 staff expressed in full-time equivalency [FTE]). Approximately three percent (1,408.2 staff expressed in full-time equivalency [FTE]) of the total professional staff are 62 years and older.

. Numerically there will not be a significant number of eligible teachers for early retirement in the next 5 years.

B. With 40 percent of the total 1974-75 professional staff between the ages of 35 and 54, the State Teachers Retirement Board should study the impact of an early retirement plan on the future levels of employer and employee contributions to make the fund actuarily sound as these teachers become eligible for early retirement

C. Demographers are projecting an aging population for the balance of this century. The existence of an early retirement plan could impose a financial burden on a shrinking base of persons in the working ages.

CONCLUSIONS

The Council questions the wisdom of lowering the age limit for recipients of full retirement benefits as a means of alleviating the immediate problems of fluctuating school enrollments. The number of eligible teachers does not appear to be significant in terms of immediately increasing teacher mobility. The fiscal dangers of such a plan would be evident in 10 years or more when the number of eligible teachers is larger. The fiscal burdens of the retirement fund would be prohibitive. For this reason, studies should be conducted on the impact of early retirement on the Teachers Retirement Fund. These studies should be reported back to the 1978 Legislature.

DATA SOURCE

1. Conversations with the Director of the Teachers Retirement Association.

2. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "Descriptive Information About Minnesota School Districts and Fluctuating School Enrollments," Volume II, (January, 1977), pp. 89-102.

3. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "Distribution of Total Full-Time Equivalency (FTE) Professional Staff by Age, Experience and Training Levels in the Regions, the State and in the School Districts Sorted by Enrollment Trend and School District Size," Volume II,(January, 1977), pp. 395-471.

4. William E. Simon, "How to Rescue Social Security," *Wall Street Journal,* Wednesday, November 3, 1976.

ESTIMATED STATE APPROPRIATION

None

RECOMMENDATIONS OT THE STATE BOARD OF EDUCATION

1. ELEMENTARY AND SECONDARY TEACHER-PUPIL RULES AND REGULATIONS

The State Board of Education should repeal Edu 23 (b) *Teacher Pupil Load* (elementary level) and Edu 46, *Staff* (b)(3) (teacher-pupil load at the secondary level).

SUPPORTING STATEMENTS

A. Determination of staff per student ratios should be at the discretion of the local management to allow flexibility in providing for the educational needs of the students in the school district.

B. There is no conclusive evidence in educational research which indicates any strong relationship between class size and student performance.

C. There does not appear to be a relationship between average class size and declining enrollments. Based on 1974-75 Minnesota school year data, 10 percent of those districts experiencing an enrollment decline from 1970-74 greater than 6 percent have fewer staff per 1,000 pupils than the state average (57 staff per 1,000 students).

D. There is evidence in a two year study of 12 districts to suggest that proportionate staffing adjustments are being made as enrollments fluctuate.

E. There is no assurance that specific class size ratios ensure educational quality in the interactions between the teacher and the student.

F. The relevance of class size to the learning situation depends on the nature of the student, the subject taught, the teacher's instructional skills and other environmental factors. Learning is not dependent on numbers alone.

CONCLUSION

The Council believes the number of professional staff per students at the elementary and secondary level should be at the discretion of the local board. Minimums or maximums in any type of teacher-pupil ratio could serve to limit the present and future need for staff differentiation and the use of technology in education. Local school boards should be allowed to provide the educational program deemed appropriate for the students of the district without infringements on their management discretion such as teacher-pupil ratios.

DATA SOURCE

1. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "The Educational Process, Student Achievement and Class Size," Volume II, (January, 1977), pp. 167-177.

2. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "The Relationship Between the Cost and Quality of Education," Volume II, (January, 1977), pp. 179-195.

3. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "A Comparative Analysis of Twelve Selected School Districts in the State of Minnesota," Volume II, (January, 1977), pp. 103-165.

4. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* 1974-1975 Total Full-Time Equivalency (FTE) Professional Staff per 1,000 Students by State, Region and School District," Volume II, (January, 1977), pp. 381-394.

5. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "1974-1975 Class Size Data by Level of Instruction in the State, Region and School District," Volume II, (January, 1977), pp. 317-380.

2. TEACHER SUPPLY AND DEMAND STUDY

The State Board of Education should conduct an annual study on the supply and demand of public education teachers by area of certification and program need. This study should be conducted in cooperation with the higher education institutions in the state of Minnesota. Information gathered from the annual study should be used to provide appropriate career counseling for undergraduates. This is not intended to encourage controls on individual career choices.

SUPPORTING STATEMENTS

A. Overall enrollments will decline until about 1985 at which juncture a small increase will occur through 1995 when another declin begins.

B. A recent study on the supply and demand of public and private education teachers in Minnesota reports the following:

   1. Assuming no change in current public policies the number (51,000) of teachers employed in

1973-74 will decline to approximately 40,500 in 1984. Between 1985 through 1997 the number employed will increase to 47,000 and then decrease.

2. In 1973-74 approximately 33 percent of the teachers employed were 29 years old or younger. In 1980-81 most of the teachers will be in the 35-39 year old group. In 1983-86 the majority of teachers will be 40-49. A "youthful" pattern in the distribution of teachers will not occur until after 1995.

3. The projected supply of new graduates from Minnesota's preparation programs do not coincide with projected demand. A large oversupply of teachers will occur over the next decade.

4. No new teachers, of any kind, will be hired in the years 1978 and 1979 if current labor market conditions continue. By 1985 through 1995 ample demand is projected followed by moderate to severe oversupply of new graduates after 1995.

5. The pool of certificated teachers not in the labor force is projected to grow at the rate of 2,500 persons per year for the next thirty years.

C. The proposed study in this recommendation should consider the following:

1. What role should the training institutions have in adjusting programs to meet the changing demand?

2. What policies are necessary at the training institution level to inform potential teachers of the supply and demand of teachers?

3. What programs (fields) have an undersupply or oversupply of teachers? Can this information be used in planning for the training and retraining of teachers?

CONCLUSIONS

The Council believes the State Board of Education, in cooperation with the state higher education institutions, should develop and conduct an annual study of

the supply and demand of public education teachers in the state of Minnesota. The resulting information should be used for manpower planning at the state level, program planning at the higher education institutions and career counseling for those undergraduates considering a career in education. Such an annual study would provide for better planning by all involved in the supply and demand of teachers as enrollments fluctuate. The information from such a study should not be used as a control on individual career choices.

DATA SOURCE

1. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "Minnesota Statewide Enrollment Projections," Volume II, (January, 1977), pp. 41-52.

2. Scott Foster, "The Supply and Demand for School Teachers in Minnesota, 1975-2000." Unpublished Doctoral Dissertation, University of Minnesota, 1976.

3. *CLEARINGHOUSE FOR TEACHER-EXCHANGE PROGRAMS AND INFORMATION ON COOPERATIVE STAFFING ARRANGEMENTS*

The State Department of Education should serve as a clearinghouse for teacher-exchange programs and for information concerning school district cooperative staffing arrangements especially in such specialized areas as foreign language, physics, chemistry, advanced mathematics; noninstructional support services such as curriculum directors, research and development directors, supervisors, et cetera.

SUPPORTING STATEMENTS

A. Clearinghouse for teacher-exchange programs

1. This would provide an exchange mechanism for the voluntary movement of experienced and less experienced teachers between declining and growing districts.

2. This mechanism would enable a growing district to hire experienced staff.

3. This mechanism could prevent potential age-experience balance problems in those growing districts where enrollment projections indicate stability or decline.

4. This mechanism would enable declining districts to hire or retain younger, less experienced teachers thus maintaining an age-experience balance.

B. Clearinghouse for information on cooperative staffing arrangements

1. Cooperative staffing options would enable school districts to maintain programs despite expenditure limitations resulting from declining enrollments.

2. Cooperative staffing options would enable cost-effective staff utilization at the local school district level.

3. A clearinghouse for cooperative staffing arrangements would expand interdistrct cooperation.

4. This concept would not require a fiscal incentive.

CONCLUSIONS

Current legislation dictates the procedure and order in which school districts terminate staff as enrollments decline. This process has resulted in an imbalance in the age-experience of the teaching staff which the Council feels is not educationally or fiscally sound. In keeping with this concern, the Council believes the growing school districts should have the opportunity to hire experienced teachers to provide a better age-experience balance and also to alleviate future age-experience staff problems when their enrollments stabilize or decline.

DATA SOURCE

1. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System*, "Minnesota Teacher Mobility, 1976," Volume II, (January, 1977), pp. 231-257.

2. Citizens League, *Matching Pupils, Teachers, Buildings and Budget*, 1974.

4. SCHOOL BUILDINGS PLANNING MANUAL

The State Board of Education should develop a school buildings planning manual which provides

alternatives for the disposal of obsolete or excess school buildings. This manual should be developed by experts in educational school building planning.

SUPPORTING STATEMENTS

A. A school buildings planning manual would provide alternative uses of excess school buildings by the local school districts and the community.

B. A school buildings planning manual would assist the local school district and the community in achieving long-term planning techniques in the use of existing buildings.

CONCLUSION

The Council believes a school buildings planning manual developed by experts in educational school buildings planning would bring together the experiences of those school districts which have already made provisions for excess facilities and provide those school districts anticipating excess space with effective alternatives for the use of such facilities. As enrollments decline and space becomes available, school districts and communities should use the best information and techniques available for the utilization of available buildings. A school buildings planning manual would provide such information.

DATA SOURCE

1. Conversations with the Director of the District Organization, Planning and Operations Section in the Minnesota State Department of Education.

RECOMMENDATIONS TO THE LOCAL SCHOOL DISTRICTS

1. *EXTENDED LEAVES OF ABSENCE*

Local school boards should adopt an extended leave of absence policy which provides for leaves of absence without pay not to exceed two (2) years for teachers with at least seven (7) years experience in a district. This policy could include provisions for retention of the seniority and continuing contract rights the teacher had at the time the leave was granted. (*See* Legislative Recommendation A-4, *Teacher Exit.*)

SUPPORTING STATEMENTS

A. An extended leave of absence policy at the local

level maintains local management discretion in personnel matters.

B. An extended leave of absence policy would provide a minimum level of security and be an incentive to those teachers desiring personal and professional enrichment.

C. An extended leave of absence policy could be the incentive a teacher desires to resign from a school district during or after the leave.

D. An extended leave of absence policy could provide temporary fiscal relief to those declining districts from which teachers are granted such a leave.

E. An extended leave of absence policy would allow declining school districts to retain younger, less experienced teachers and to maintain a better age-experience balance.

CONCLUSION

The Council believes teacher mobility alternatives should be available at the local school district level. An extended leave of absence policy in which such leaves are granted by the school board would maintain management discretion in personnel matters. The Council also believes such a policy managed at the local level will not hinder the local educational program. In many instances, such a policy could enhance the educational program as well as encourage teacher mobility.

DATA SOURCE

1. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "Minnesota's Teacher Mobility, 1976," Volume II, (January, 1977), pp. 321-257.

2. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "Descriptive Informatin About Minnesota School Districts and Fluctuating School Enrollments," Volume II, (January, 1977), pp. 89-102.

3. Minnesota Statute 354.092, *Sabbatical Leave.*

2. *SEVERANCE PAY PLAN*

Local school boards should develop local severence pay plans for full-time continuing contract teachers* with at least 10 years of experience in such districts. This policy should exclude those teachers eligible for full retirement benefits. (*See* Legislative Recommendation A-4, *Teacher Exit.*)

SUPPORTING STATEMENTS

A. Adoption of a local severance pay plan would maintain local management discretion in personnel matters.

B. A local severance pay plan would allow for voluntary mobility of experienced teachers.

C. A severance pay plan would provide an option for those teachers desiring an exit from the teaching profession.

D. A local severance pay plan funded, in part, by the state would provide some fiscal relief to declining school districts.

CONCLUSIONS

The Council believes a plan incorporating state/local funding for severance pay will encourage local school districts to adopt a plan conducive to the needs of the district. Such a plan funded, in part, by the state, could become a fiscal reality in those districts unable to initiate it independently. Also, a severance pay plan designed to meet the unique needs of the district would be attractive to those teachers wishing to exit from the profession prior to the traditional retirement age.

DATA SOURCE

1. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System*, "Descriptive Information About Minnesota's School Districts and Fluctuating School Enrollments," Volume II, (January, 1977), pp. 89-102.

2. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments*

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*"Teachers" as defined in Minnesota Statute 125.12, Subd. 1, *Teacher defined.*

on Minnesota's Educational System, "Minnesota's Teacher Mobility, 1976," Volume II, (January, 1977), pp. 321-257.

3. *PART-TIME STAFF*

Local school boards should utilize part-time staff to meet the needs of fluctuating school enrollments. To provide flexibility and equality in staffing arrangements, local school boards should consider providing continued tenure, retirement, seniority and health insurance benefits on a prorated schedule to teachers who are employed full-time but desire or are willing to teach less than full-time. The latter provision should be provided only to present staff members who will be teaching less than full-time and at least half-time.

SUPPORTING STATEMENTS

A. The utilization of part-time employment for current staff members maintains local management discretion in related personnel matters.

B. The use of part-time staff would enhance the ability of the local school districts to adjust to fluctuating enrollments and fluctuating local demands for teachers.

C. The use of part-time staff with special provisions would provide incentives for teachers to exercise personal and professional enrichment (e.g., learn new job skills, exercise a period of job relief, or become a part-time student).

D. The use of part-time staff would provide enrichment of unique educational needs at the local level on a fluctuating basis.

E. The use of part-time staff would provide the means for teacher mobility across all age and experience groups of staff on a voluntary basis and enhance educational and personal activity.

CONCLUSIONS

The Council believes local school boards should consider every alternative to providing flexibility in staff arrangements to meet the needs and demands of fluctuating school enrollments. The utilization of part-time employment for current staff members accompanied by continued tenure, retirement, seniority and health insurance benefits on a prorated basis should be considered by school boards. Part-time employment may be desirable

to some teachers which makes this option attractive to both the school district and the teacher.

DATA SOURCE

1. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "Descriptive Information About Minnesota School Districts and Fluctuating School Enrollments," Volume II, (January, 1977), pp. 89-102.

4. REMOVAL OF ARBITRARY CEILINGS ON LONGEVITY CREDIT

Local school boards should remove arbitrary ceilings on longevity credit for the service of a teacher in another district. (*see* Legislative Recommendation A-3, *Eligible Teacher Program and Full-Time Continuing Contract Teachers.*)

SUPPORTING STATEMENTS

A. Removal of arbitrary ceilings on longevity credit would make salaries more equitable for experienced teachers moving to another school district.

B. Removal of arbitrary longevity ceilings would encourage voluntary teacher mobility with benefits accruing to declining districts, growing districts and the transferring teacher.

C. Removal of arbitrary longevity ceilings would minimize potential problems in the age-experience balance in growth districts where enrollment projections indicate stability or decline.

D. Removal of arbitrary longevity ceilings would enhance mobility for experienced teachers.

DATA SOURCE

1. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "Minnesota's Teacher Mobility, 1976," Volume II, (January, 1977), pp. 231-257.

2. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "Descriptive Information About Minnesota School Districts and Fluctuating School Enrollments," Volume II, (January, 1977), pp. 89-102.

5. *UNREQUESTED LEAVES OF ABSENCE*

The local school board should consider the use of the following definitions in the negotiation of unrequested leave of absence policies:

. "Teachers" to mean any person other than a superintendent or assistant superintendent, employed by a school district in a position for which the person must be certificated by the State Board of Education; and such employment does not come within the exceptions stated in Subd. 7 of Minnesota Statute 179.63, *Definitions*

. "Seniority" to mean that service in a district accrued from the first day of employment by teachers who have acquired continuing contract rights. Note: "teachers" here would be defined as stated above

. "Exclusive bargaining representative" to mean an employee organization which has been designed by a majority of those votes cast in the appropriate unit and has been certified pursuant to Minnesota Statute 179.67, *Exclusive Representation; Elections, Decertification*

. For purposes of maintaining quality in the teaching staff of a school district, restrict the exercising of seniority rights to those teachers "qualified" to teach in major fields of certification. "Qualified" to mean having major certification in a field in which the teacher has had teaching experience within the past five years. (*See* Legislative Recommendation B-3, *Unrequested Leave of Absence.*)

SUPPORTING STATEMENTS

A. These definitions will help clarify "who" is included in such a policy; "what" service is counted for "which" positions; and with "whom" the policy is negotiated.

B. These definitions provide protection for the top administrative staff hired by the school board to provide coordination of district-wide programs and staff.

C. These definitions provide equitable treatment of those teachers who may be involved in unrequested leaves of absence.

CONCLUSION

The Council believes the definitions provided in the recommendation will clarify the staff reduction process

at the local level in a way which is equitable for all involved. These definitions being consistent with Minnesota Statute 179.61-.76, *Public Employees Labor Relation Act of 1971*, and Minnesota Statute 125.12, Subd. 4, *Termination of Contract After Probationary Period*, ensure the local school board the necessary management discretion in the hiring and continued employment of the top level administrative staff.

DATA SOURCE

1. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System*, "Teacher Contracts and Unrequested Leave: The Law and its Implementation During a Period of Declining Enrollments and Consolidation," Volume II, (January, 1977), pp. 259-316.

2. State of Minnesota, Office of the Attorney General, Opinion #3328, November 20, 1975.

6. *STAFF DEVELOPMENT PROGRAMS FOR MANAGEMENT OF DECLINE*

Local school districts should encourage their Educational Cooperative Service Units to provide staff development programs for selected management designed to increase knowledge in the utilization of management systems in decline.

SUPPORTING STATEMENTS

A. These staff development programs for management personnel would recognize the critical need to develop the necessary skills for adaptation to decline.

B. These staff development programs for management personnel would provide the required leadership and planning skills unique to fluctuating school enrollments.

C. These staff development programs for management personnel would strengthen the decision making process at the local, regional and state levels.

CONCLUSIONS

The Council believes adaptation to decline is a new skill in management. Our economy has been structured toward growth which makes errors in management decisions less critical as time usually dissolves or conceals the error. Decline does not absorb errors

in judgement. The incidence of error or mismanagement in educational decline can be a grave fiscal and educational travesty. The Council believes the local school boards should make a concerted effort to assure the citizens of Minnesota top-level educational management during this period of educational decline. The quality of management in our schools determines the level of efficiency in the use of the tax dollars. These staff development programs designed for training selected management personnel on the unique skills of managing decline will benefit the educational process in terms of quality and cost.

DATA SOURCE

1. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System.* Statement by the economist Kenneth E. Boulding, Volume II, (January, 1977).

2. *Managing School Districts with Declining Enrollments*, six case studies prepared for Human Resource Planning, Minnesota State Planning Agency, April, 1976.

3. Laws of Minnesota, 1976, Chapter 271, Section 2 [123.741]. *Planning Evaluation and Reporting to Public; Curriculum Advisory Committees.*

7. *INSERVICE TRAINING IN THE PROJECTION OF ENROLLMENTS*

Local school districts should encourage their educational service units to provide inservice training in the use of enrollment projection techniques at the local level and to collect and analyze comprehensive demographic data of the local school district communities for the purposes of determining the short and long-term needs for educational services at the local and regional levels.

SUPPORTING STATEMENTS

A. Special training in projecting enrollments and in the use of comprehensive demographic data enhances educational planning, articulation and evaluation of programs and services at the local and regional levels.

B. Special training in projecting enrollments and in the use of comprehensive demographic data recognizes the need to go beyond the traditional

assessment techniques utilizing the census which is inadequate, population co-hort change which is incomplete and counting the number of sewer connections which is unreliable.

C. Special training in projecting enrollments and in the use of comprehensive demographic data will have a positive effect on the future quality and cost of education due to a better information base used in planning.

CONCLUSION

The Council believes the Educational Cooperative Service Units can provide the best leadership and mechanism for specific training in the projection of enrollments and the development of comprehensive demographic data at the local and regional levels. The Educational Cooperative Service Units have the advantage of knowing the unique demographic characteristics shared by the school districts in that region.

DATA SOURCE

1. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "Minnesota Statewide Enrollment Projections," Volume II, (January, 1977), pp. 41-52.

2. *Planning Assistance Manual: Managing School Districts with Declining Enrollments.* Minnesota State Planning Agency in cooperation with the Minnesota State Department of Education and the Minnesota Association of School Administrators, July, 1976.

8. COOPERATIVE PURCHASING OF GOODS AND SERVICES

Local school districts should use, whenever possible, cooperative purchasing of goods and services through the Educational Cooperative Service Units or other governmental agencies at the county or state level (e.g., state purchasing system).

SUPPORTING STATEMENTS

A. Studies of cooperative purchasing of goods and services show evidence of significant savings.

CONCLUSION

The Council believes local school districts should take advantage of every opportunity to reduce their costs

for the educational program whenever possible. The use of cooperative purchasing is a concept that should be used if the local school district finds they can realize cost savings.

DATA SOURCE

1. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "Cooperative Purchasing and the Sharing of Facilities by Minnesota Public School Districts," Volume II, (January, 1977), pp. 513-318.

2. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "Recommendations by the Advisory Council on Fluctuating School Enrollments Concerning Intermediate Educational Units," Volume II, (January, 1977), pp. 519-531.

9. *LEASING OR SHARING OF BUILDINGS*

Local school boards should make every effort to lease or share school buildings, whenever possible, to meet the changing school building needs caused by fluctuating school enrollments.

SUPPORTING STATEMENTS

A. The leasing or sharing of buildings can benefit both districts involved or the district and municipality involved in the leasing or sharing agreements.

B. The leasing or sharing of school buildings could produce sufficient cost savings for the school districts involved in the leasing or sharing agreements.

C. The possibility of sharing or leasing school buildings on a short or long-term basis can enhance educational planning at the local level.

CONCLUSION

The Council believes that, wherever possible, school districts should share or lease school buildings from neighboring school districts, public or non-public. Fluctuating school enrollments have a significant effect on the changing school building needs. Leasing or sharing of school buildings on a short or long-term basis can be a cost savings for the districts involved and would demonstrate sound management planning at the local level.

DATA SOURCE

1. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesoat's Educational System*, "Cooperative Purchasing and the Sharing of Facilities by Minnesota Public School Districts," Volume II, (January, 1977), pp. 513-518.

2. Minnesota Statute 275.125, *Tax Levy, School Districts*, Subd. 12, (1975 Supplement).

10. EDUCATION MOBILE UNITS

Local school districts located in a sparsely populated area where traditional cooperative efforts and consolidation are not economically or geographically feasible should consider the joint purchase of educational mobile units. These mobile units might provide educational services such as driver's education, science laboratories, model offices, et cetera.

SUPPORTING STATEMENTS

A. The use of educational mobile units would recognize the need for equal educational opportunities in those areas where interdistrict cooperation or consolidation is not geographically feasible.

B. The use of educational mobile units would allow school districts operating within a limited budget the opportunity to provide educational programs and services above an acceptable educational standard without paying exorbitant prices for such services.

CONCLUSION

The Council believes those school districts which are unable to participate in interdistrict cooperative programs or to consolidate with another district due to geographic limitations should consider joint or cooperative purchasing of educational mobile units to expand their educational program. The use of educational mobile units would provide students with equal educational opportunities at a cost savings to the district regardless of where the student lives.

DATA SOURCE

1. Roe L. Johns, "An Index of Extra Costs of Education Due to Sparsity of Population," *Journal of Educational Finance*, I (Fall, 1975), pp. 159-204.

2. Elchanan Cohn, "A Proposal for School Size Incentives in State Aid to Education," *Journal of Educational Finance*, I (Fall, 1975), pp. 216-225.

11. MODULAR/RELOCATABLE UNITS

School districts experiencing enrollment growth or limited growth where the district had less than five (5) percent growth over the past four years and has a projected enrollment decline should consider using modular/relocatable units.

SUPPORTING STATEMENTS

A. School districts should consider the use of modular/relocatable units as an alternative where changes in enrollments do not require the building of a single attendance unit or do not indicate a future need for another attendance unit.

B. The use of modular/relocatable units would provide a cost savings to those school districts utilizing such units.

CONCLUSION

The Council believes cost savings and flexibility in school building planning and use can be achieved by the school district's use of modular/relocatable units. The use of these units should have a positive effect in making adjustments to fluctuating school enrollments at the district level.

DATA SOURCE

1. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System*, "Modular/Relocatable Educational Units Study," Volume II, (January, 1977), pp. 563-565.

12. CONSOLIDATION/COOPERATIVE PROGRAMS

Small school districts should consider consolidation with adjacent school districts or cooperative provisions for a K-12 educational program with adjacent districts.

SUPPORTING STATEMENTS

A. Small school districts experiencing fluctuating school enrollments should make every effort to provide sound educational programs in the most efficient and effective manner.

B. Consolidation or other cooperative activities should be considered at the local level, wherever possible, to ensure all students in the district a broad educational experience.

CONCLUSION

The Council believes that in some areas of the state consolidation or cooperative activities can ensure the students of a school district better educational opportunities. Where such school district organization alternatives are possible, local school boards should consider all options to determine the best way to meet the fiscal and educational needs of the school district. Consolidation or cooperation may be essential in those small districts experiencing declining enrollments.

DATA SOURCE

1. Minnesota Constitution, Article VIII, *School Funds, Educational and Science,* Section 1, *Uniform System of Public Schools.*

2. Laws of Minnesota for 1947, Chapter 421 H.F. No. 1125, [*An act to provide a survey for reorganization of school districts and appropriating therefore.*]

3. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "School District Size," Volume II, (January, 1977), pp. 197-220.

4. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "The Relationship Between the Cost and Quality of Education," Volume II, (January, 1977), pp. 179-195.

5. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "The Educational Process, Student Achievement and Class Size," Volume II, (January, 1977), pp. 167-177.

6. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "A Comparative Analysis of Twelve Selected School Districts in the State of Minnesota," Volume II, (January, 1977), pp. 103-165.

7. *Managing School Districts With Declining Enrollments,* six case studies prepared for Human Resources Planning, Minnesota State Planning Agency, April, 1976.

8. School Finance Formulae from the States of Utah, Florida, Maine and Michigan.

9. Roe L. Johns. "An Index of Extra Costs of Education Due to Sparsity of Population," *Journal of Educational Finance*, I (Fall, 1975), pp. 159-204.

10. Elchanan Cohn. "A Proposal for School Size Incentives to State Aid to Education," *Journal of Educational Finance*, I (Fall, 1975), pp. 216-225.

11. *Economy, Efficiency, and Equality: The Myth of Rural School and District Consolidation.* The National Institute of Education, U.S. Department of Health, Education and Welfare. Washington, D.C., July, 1976.

RECOMMENDATIONS TO THE STATE TEACHERS RETIREMENT BOARD

1. PORTABILITY OF PENSION BENEFITS CAMPAIGN

The State Teachers Retirement Board should conduct a campaign to inform members of the existing portability of pension benefits.

SUPPORTING STATEMENTS

A. An informational campaign would remove misunderstandings about the current portability of pension benefits.

B. An informational campaign would enhance the mobility of those more experienced teachers least likely to be terminated in a declining enrollment district.

CONCLUSION

The Council believes members of the Teachers Retirement Fund should be aware of the portability of thier pension benefits. Such an awareness may be an incentive to enhance the mobility of experienced teachers from a declining enrollment district to a growing enrollment district. This mobility of experienced teachers could counteract the current imbalance in the age-experience distribution of staff in growing and declining enrollment districts.

DATA SOURCE

1. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System*, "Minnesota's Teachers Mobility, 1976," Volume II, (January, 1977), pp. 321-257.

2. Citizens League, *Matching Pupils, Teachers, Buildings and Budgets*, (1974).

2. EARLY RETIREMENT STUDY

The State Teachers Retirement Board should conduct studies on the impact of voluntary early retirement with full benefits on the level of employer and employee contributions to make the fund actuarily sound. These studies should be reported back to the 1978 Minnesota Legislature.

SUPPORTING STATEMENTS

A. An early retirement plan may provide minimal mobility of professional staff during the next 5-10 years, however, such a plan could have devastating fiscal effects on the retirement fund in the future should this option be available when those persons currently under 55 years of age reach the retirement age. For example:

. In 1974-75 the average age of the total professional staff in Minnesota was approximately 35 years of age.

. Approximately 40 percent of the total 1974-75 professional staff in Minnesota are between the ages of 35 and 54.

. The percentage of the total 1974-75 professional staff in Minnesota that are older than 55 years of age is 13 percent (6,293.7 staff expressed in full-time equivalency [FTE]). Approximately three percent (1,408.2 staff expressed in full-time equivalency [FTE]) of the total professional staff are 62 years and older.

. Numerically, there will not be a significant number of eligible teachers for early retirement in the next 5 years.

B. With 40 percent of the total 1974-75 professional staff between the ages of 35 and 54, the State Teachers Retirement Board should study the impact of an early retirement plan on the future levels of employer and employee contributions to make the fund actuarily sound as these teachers become eligible for early retirement.

C. Demographers are projecting an aging population for the balance of this century. The existence of an early retirement plan could impose a financial burden on a shrinking base of persons in the working ages.

CONCLUSIONS

The Council questions the wisdom of lowering the age limit for recipients of full retirement benefits as a means of alleviating the immediate problems of fluctuating school enrollments. The number of eligible teachers does not appear to be significant in terms of immediately increasing teacher mobility. The fiscal dangers of such a plan would be evident in 10 years or more when the number of eligible teachers is larger at that time, the fiscal burdens on the retirement fund would be prohibitive. For this reason, studies should be conducted on the impact of early retirement on the Teachers Retirement Fund. These studies should be reported back to the 1978 Legislature.

DATA SOURCE

1. Conversations with the Director of the Teachers Retirement Association.

2. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "Descriptive Information About Minnesota School Districts and Fluctuating School Enrollments," Volume II, (January, 1977), pp. 89-102.

3. *A Final Report to the Minnesota State Legislature: The Impact of Fluctuating School Enrollments on Minnesota's Educational System,* "Distribution of Total Full-Time Equivalency (FTE) Professional Staff by Age, Experience and Training Levels in the Regions, the State and in the School Districts Sorted by Enrollment Trend and School District Size," Volume II, (January, 1977), pp. 395-471.

4. William E. Simon, "How to Rescue Social Security," *Wall Street Journal,* Wednesday, November 3, 1976.

APPENDIX I

LEGISLATION CREATING AN ADVISORY COMMISSION ON FLUCTUATING SCHOOL ENROLLMENTS

Laws of Minnesota, 1974 Chapter 355, Sec. 68. (ADVISORY COMMISSION ON FLUCTUATING SCHOOL ENROLLMENTS: CREATION).

Subd. 1. There is hereby created an advisory commission to the Legislature and the state board of education which shall be known as the advisory commission on fluctuating school enrollments, hereinafter referred to as the commission.

Subd. 2(a) (MEMBERSHIP.) The commission shall be composed of 11 members to be appointed by the governor with the advice and consent of the senate, and shall consist of:

(1) One certified elementary or secondary education school teacher;
(2) One certified special education school teacher;
(3) One elementary or secondary school administrator;
(4) One superintendent of schools;
(5) One representative of the Minnesota state high school league;
(6) One current member of a school board; and
(7) Five public members, two of whom shall have demonstrated expertise in the field of school finance.

No two commission members shall reside in the same school district.

(b) (EX OFFICIO MEMBERS.) One designee of the chairman of the senate committee on education, one designee of the chairman of the house of representatives committee on education and one designee of the state board shall serve as nonvoting members of the commission.

(c) (TERMS.) All members shall serve a time of three years; however, every member shall continue in office until his successor has been duly named and qualified. When a vacancy occurs, it shall be filled within 30 days in the manner of the original appointment and all subsequent appointees must be qualified in the manner of the members they succeed.

(d) (COMPENSATION; EXPENSES.) Commission members shall be paid compensation of $35 per day for each day spent in performance of their duties, plus ordinary and necessary expenses in the same amount and manner as state employees.

(e) (EXPIRATION.) Unless specifically renewed by the Legislature, the authorization for this commission shall expire on June 30, 1977.

Subd. 3. (POWERS AND DUTIES OF THE COMMISSION.)

(a) The commission shall meet and organize within 30 days of its appointment. It shall elect from its membership a chairman and such other officers as it deems necessary.

(b) The commission shall examine, by whatever means it deems appropriate, the impact of fluctuating school enrollments and their consequential effect on the quality and cost of education.

(c) The commission shall make any investigations and conduct any hearings necessary to accomplish its purposes.

(d) The commission may employ such professional, clerical and technical assistants as it deems necessary in order to accomplish its purposes.

(e) In carrying out its objectives, the commission shall have the right to confer with state officials and other governmental units, and to have access to such records as are necessary to obtain needed information. The commission shall also have the right to call upon and receive from various state departments, agencies and institutions such technical advice and service as are reasonably needed to fulfill the purposes of the commission.

(f) Before January 15, 1976, the commission shall present to the Legislature and the state board its preliminary findings and recommendations regarding incentives for additional cooperation among school districts. The optimal size of regional units of cooperation and appropriate teacher-pupil ratios. The commission shall present its final report to the Legislature and the state board before January 15, 1977.

(g) Recommendations of the commission shall be given to all school boards and school districts at the time they are presented to the Legislature and the state board.

Subd. 4. The provisions of Minnesota Statutes, Section 363.01. Subdivision 10, shall not apply to separation based on sex, of athletic programs of educational institutions. This section shall expire July 1, 1975.

Subd. 5. There is hereby appropriated from the general fund the sum of $30,000 for use by the commission to carry out the purposes of this section. This appropriation shall be available until expended or until the purposes of this section are completed.

Subd. 6. Subdivisions 1 to 5 shall be effective on June 1, 1974.

APPENDIX II

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